

Memorandum

Date: **SEP 11 2006**

To: Division Chiefs and Deputy Directors

From: Stan Rosenstein
Deputy Director
Medical Care Services
P.O. Box 997413, MS 4000



9/1/06

Subject: Policy: Mandatory Use of the HIPAA National Provider Identifier

The California Department of Health Services (CDHS) is aggressively moving forward with the implementation of the National Provider Identifier (NPI), in order to comply with the Health Insurance Portability and Accountability Act of 1996 (HIPAA) regulations to accept and use a standard unique health identifier for health care providers. Once implemented, CDHS will use only the NPI to identify health care providers in all HIPAA covered transactions.

Background

Under HIPAA, the U.S. Department of Health and Human Services Center for Medicare and Medicaid Services (CMS) was required to adopt a standard unique health identifier for health care providers. CMS has adopted the NPI as this standard. The HIPAA NPI Final Rule 45 CFR Part 162, published January 23, 2004, requires CDHS to use the NPI to identify health care providers on HIPAA standard transactions. The NPI is an intelligence-free numeric identifier enumerated by the National Plan and Provider Enumeration System (NPPES). Providers began applying for NPI's on May 23, 2005 and large health plans are required to implement the NPI by May 23, 2007. Small health plans are required to implement the NPI by May 23, 2008.

The CDHS Office of HIPAA Compliance (OHC) is responsible for the management and oversight of the NPI implementation for the Department. A part of OHC's oversight responsibility is to research, evaluate, and report on CDHS' compliance and non-compliance with HIPAA. There are currently 14 separately identified programs within CDHS that are considered directly covered by HIPAA. Many of the remaining portions of CDHS are indirectly impacted by doing work with or using the data of the covered programs.

To comply with the federal regulations, CDHS is converting from our existing provider identifiers to the NPI. This conversion effort is impacting existing policies, regulations, and business and systems operations. In addition, approximately 150,000 healthcare

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providers are required to acquire an NPI and use it on all HIPAA covered transactions with Medi-Cal.

Policy

On May 23, 2007, CDHS will only accept the NPI to identify health care providers on HIPAA standard transactions. CDHS will no longer issue, use, nor accept proprietary provider numbers for new or current programs or providers.

If a covered program has a reason to believe it needs to use special proprietary numbers to identify healthcare providers, please complete the *Request for Special Provider Number Justification Report*, attached to this document, and submit to the **Office of HIPAA Compliance**.

The CDHS HIPAA NPI Team will evaluate each request to determine if a special provider number should be assigned. Once the Justification Report is reviewed, the program contact person will be notified with the result of the evaluation.

If you have any questions about this policy or would like to be put in contact with a member of the CDHS HIPAA NPI Team, please contact C.J. Caldwell, IT Section, OHC at (916) 552-9057.

Attachment



California Department of Health Services

Request for Special Provider Number Justification Report

This form is used to document requests for special provider numbers. The issuing of special provider numbers will be considered only as a temporary implementation solution.

Please complete a separate form for each special provider number requested by answering the questions on the following page. Return it to:

C.J. Caldwell, Office of HIPAA Compliance

Email: Ccaldwel@dhs.ca.gov

Fax: (916) 449-5125

If you have any questions, please call C.J. Caldwell at (916) 552-9057

This form may also be downloaded at <http://hipaa.dhs.ca.gov/NPI.htm>.

Program Area Name:	
Contact Name/Title:	
Contact Telephone Number:	
Fax Number:	
E-mail Address:	



California Department of Health Services

Request for Special Provider Number Justification Report

Please complete the following items so we may assess your business need.

1. *Please provide a statement of your business need for the special provider number.*
2. *If this need is the result of requirements under Federal/State law, please provide a complete description of the law and the effective date.*
3. *What alternatives to a special provider number have been considered?*
4. *Please provide evidence of inability to implement national standards, including policy, business and/or system limitations.*
5. *If the reason is due to system limitations, please include estimated timelines and costs for implementing necessary system changes, if known.*

The CDHS HIPAA NPI Team will review your responses. You will be contacted in writing once a decision has been made. Thank you.